

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION - DETROIT

**IN THE MATTER OF:**

Offshore Spars Co.<sup>1</sup>

Debtors.

Bankruptcy Case No. 23-44657  
Hon. Thomas J. Tucker  
Chapter 11

**CASH FLOW STATEMENT FOR DEBTOR IN COMPLIANCE**  
**WITH 11 U.S.C. 1116 AND 1187**

Respectfully submitted,  
**STEVENSON & BULLOCK, P.L.C.**

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Dated: June 9, 2023

<sup>1</sup> The Debtors in these jointly administered cases include Offshore Spars Co. (Bankr. Case No. 23-44657) and Eric Graczyk (Bankr. Case No. 23-44658).

# Income Statement (Profit and Loss)

For the 6 months ended June 30,  
2021

Accrual Basis

Account	Jan-Jun 2021
<b>Income</b>	
Contract Revenue	
Contract Sales	3,259,786.36
Contract WIP Sales	(896,292.21)
Design Revenue	1,650.00
Rental Revenue	900.00
Total Contract Revenue	2,366,044.15
Harken Revenue	
Harken Sales	222,161.26
Total Harken Revenue	222,161.26
Headstay Revenue	
Headstay Sales	73,868.96
Headstay WIP Sales	20,637.00
Total Headstay Revenue	94,505.96
Hydraulic Revenue	
Hydraulic Sales	274,139.25
Total Hydraulic Revenue	274,139.25
Refit Revenue	
Refit Sales	16,665.00
Total Refit Revenue	16,665.00
Retail Revenue	
Retail Sales	232,304.88
Total Retail Revenue	232,304.88
Running Rigging Revenue	
Running Rigging Sales	182,976.33
Total Running Rigging Revenue	182,976.33
Service Revenue	
Service Item Revenue	216.60
Total Service Revenue	216.60
Shipping Revenue	
Shipping	328,752.03
Total Shipping Revenue	328,752.03
Standing Rigging Revenue	
Standing Rigging Sales	540,945.33
Standing Rigging WIP Sales	(80,220.85)
Total Standing Rigging Revenue	460,724.48
	4,178,489.94

## Cost of Goods Sold

Cost of Aggregate Sales	
Amazon Selling Fees	45,622.50
Credit Card and Wire Transaction Fees	8,935.34
Service Item Expense	(495.24)
Autoclave Expense	8,227.87
Inventory Labor	2,218.60
Nexus State Tax Paid	1,227.33

Early Payment Discounts Given	1,104.92
<b>Total Cost of Aggregate Sales</b>	<b>66,841.32</b>
<b>Cost of Contract Sales</b>	
Contract Design Cost	101,546.25
Contract Insurance Cost	3,454.74
Contract Labor	472,730.41
Contract Material	1,171,190.72
Contract Payroll Costs	41,650.18
Contract Sales Commission	8,105.49
Contract Warranty Labor	2,675.11
Contract Warranty Material	63,491.91
Contract WIP Material	(279,883.95)
<b>Total Cost of Contract Sales</b>	<b>1,584,960.86</b>
<b>Cost of Harken Sales</b>	
Harken Material	143,421.57
<b>Total Cost of Harken Sales</b>	<b>143,421.57</b>
<b>Cost of Headstay Sales</b>	
Headstay Material	58,430.07
Headstay WIP Material	16,509.60
<b>Total Cost of Headstay Sales</b>	<b>74,939.67</b>
<b>Cost of Hydraulic Sales</b>	
Hydraulic Labor	2,360.08
Hydraulic Material	126,569.83
Hydraulic Payroll Cost	51.44
<b>Total Cost of Hydraulic Sales</b>	<b>128,981.35</b>
<b>Cost of Refit Sales</b>	
Refit Labor	7,182.23
Refit Material	1,395.27
Refit Payroll Costs	637.04
<b>Total Cost of Refit Sales</b>	<b>9,214.54</b>
<b>Cost of Shipping</b>	
Drop Ship Charge	2,584.94
Shipping Cost / Material Outbound	383,003.96
<b>Total Cost of Shipping</b>	<b>385,588.90</b>
<b>Cost of Standing Rigging Sales</b>	
Standing Rigging Labor	8,258.85
Standing Rigging Material	291,072.30
Standing Rigging Payroll Cost	740.23
Standing Rigging Warranty Material	6,870.00
Standing Rigging WIP Material	(44,121.47)
<b>Total Cost of Standing Rigging Sales</b>	<b>262,819.91</b>
<b>Cost of Retail Sales</b>	
Retail Labor	11,729.24
Retail Material	117,126.08
Retail Payroll Cost	1,083.82
<b>Total Cost of Retail Sales</b>	<b>129,939.14</b>
<b>Cost of Running Rigging Sales</b>	
Running Rigging Labor	1,645.04
Running Rigging Material	94,986.52
Running Rigging Payroll Cost	140.19
<b>Total Cost of Running Rigging Sales</b>	<b>96,771.75</b>
	<b>2,883,479.01</b>
<b>Gross Profit</b>	<b>1,295,010.93</b>

### Operating Expenses

<b>Advertising and Marketing</b>	
Advertising	19,784.85
Customer Expense	124.39
Travel Expense	567.16
Promotional Material	137.15

<b>Total Advertising and Marketing</b>	<b>20,613.55</b>
<b>Automotive</b>	
Auto Expense - Gas & Oil	1,968.53
Auto Expense - Lic & Title	841.00
Auto Expense - Mileage	30.80
Auto Expense - Other	349.00
Auto Expense - Repair & Maintenance	4,431.11
Vehicle Insurance	3,006.00
<b>Total Automotive</b>	<b>10,626.44</b>
<b>Building</b>	
Rent Expense	95,400.00
<b>Total Building</b>	<b>95,400.00</b>
<b>Business Services</b>	
Accounting Expense	6,000.00
Consulting Service - California	163.59
Outside Services	5,025.00
<b>Total Business Services</b>	<b>11,188.59</b>
<b>Employee Overhead</b>	
Employee Recruiting	339.70
Employee Relations	1,459.42
Health Insurance	727.02
ICHRA Funds	12,670.00
Workers Compensation Insurance	11,401.70
Workers Clinic Expenses	3,089.29
License Fees & Certificates	50.00
<b>Total Employee Overhead</b>	<b>29,737.13</b>
<b>Employee Wages</b>	
Design Outsource	1,330.00
Office Wages	378,180.62
Shop Tooling Wages	7,002.54
Shop Repair & Maintenance Wages	1,707.49
Employee Management & Training	2,031.16
Cleaning & Unassigned Wages	5,484.78
Shipping & Receiving Wages	6,395.24
Vacation Pay	14,295.59
Holiday Pay	10,632.40
Medical Leave Paid	(3,107.64)
Waterjet Wages	187.22
<b>Total Employee Wages</b>	<b>424,139.40</b>
<b>Financial</b>	
Bad Debt Expense	(18.92)
Non-Refundable VAT	17.10
<b>Total Financial</b>	<b>(1.82)</b>
<b>Insurance</b>	
Liability & Other Insurance	11,000.04
<b>Total Insurance</b>	<b>11,000.04</b>
<b>Miscellaneous</b>	
Bank Service Charges	1,235.35
Miscellaneous Expense	18.40
<b>Total Miscellaneous</b>	<b>1,253.75</b>
<b>Office</b>	
Association & Membership	354.00
Office Supplies	3,742.57
<b>Total Office</b>	<b>4,096.57</b>
<b>Shipping</b>	
Shipping and Freight Inbound	22,442.50
<b>Total Shipping</b>	<b>22,442.50</b>
<b>Shop</b>	
Fabrication Consumables	15,216.45
Fabrication Durables	1,219.45
Lamination Consumables	3,265.30

Lamination Durables	8,260.81
Machining Consumables	5,342.80
Machining Durables	8,191.65
Maintenance Consumables	4,792.28
Maintenance Durables	7,625.08
Paint Consumables	25,184.17
Paint Durables	531.04
Production Consumables	4,645.69
Production Durables	142.66
Safety Consumables	9,999.91
Fasteners	2,350.78
<b>Total Shop</b>	<b>96,768.07</b>
<b>Taxes</b>	
Property Tax - Michigan	17,198.52
State Income Tax - California	800.00
Tax Expense - FICA	24,463.03
Tax Expense - FUTA	6,339.23
Tax Expense - SUIT	5,761.91
Tax Penalties	83.92
<b>Total Taxes</b>	<b>54,646.61</b>
<b>Technology</b>	
Communications	1,469.44
Computer and Cloud Services Expenses	16,058.95
Internet Expense	1,101.12
Website/Store Cost	1,183.28
<b>Total Technology</b>	<b>19,812.79</b>
<b>Utilities</b>	
Gas	9,412.66
Electric	23,284.46
Water	1,079.43
Trash Removal	1,218.75
<b>Total Utilities</b>	<b>34,995.30</b>
Sales Agent Wages	32,499.99
	<b>869,218.91</b>
<b>Operating Income</b>	<b>425,792.02</b>

### Other Income / (Expense)

<b>Depreciation Expense</b>	
Depreciation Expense Computers & Software	(1,969.68)
Depreciation Expense Furniture & Fixtures	(456.27)
Depreciation Expense Leasehold Improvements	(1,323.63)
Depreciation Expense Tools & Equipment	(23,877.35)
Depreciation Expense Vehicles	(4,795.98)
<b>Total Depreciation Expense</b>	<b>(32,422.91)</b>
<b>Interest Expense / Income</b>	
Interest Expense	(1,454.20)
<b>Total Interest Expense / Income</b>	<b>(1,454.20)</b>
<b>Miscellaneous Expense / Income</b>	
Inventory Adjustment	14,471.35
Unrealized Currency Gains	1,135.58
Realized Currency Gains	(747.94)
Gain/Loss Foreign Currency	51.49
Gain/Loss Sale Of Assets	(53.57)
Interest Income	18.08
Miscellaneous Income	185.77
Rounding Expense	0.41
Rounding Income	0.01
<b>Total Miscellaneous Expense / Income</b>	<b>15,061.18</b>
	<b>(18,815.93)</b>

Net Income	406,976.09
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